

# DR STAKEHOLDER PRIORITIES FOR 2017

Demand Response Working Group

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January 31, 2017

# Objective

- The objective of this presentation is to consolidate stakeholder priorities received and ensure it is documented accurately
- The purpose of this presentation is not to discuss the merits of each priority item but to ensure the feedback has been documented correctly

# Introduction

- The IESO thanks all stakeholders who have taken the time to submit their DR priorities for 2017
- The IESO considers all feedback items
- Over 2016, the IESO has successfully implemented a number of stakeholder-driven initiatives:

Capacity  
Obligation Transfer

Target Capacity  
Growth Trajectory

Randomized  
Control Trials for  
RDR

# Framework to Record Feedback

- The IESO has categorized all the feedback received into three broad categories that reflect the primary decision making authority:



- The categorization distinguishes each feedback item by decision-making authority

# External to the IESO

- “External to IESO” decision items are those items where the IESO Markets team responsible for DR has limited or no decision-making authority over the change process
- On these items, the IESO can potentially facilitate discussion with key interested parties
- IESO will work with stakeholders to ensure alignment going forward

# Stakeholder Priorities: External to IESO

## 1. *Easy access to residential measurement data*

- Streamlined, simple process for 3<sup>rd</sup> party providers to access residential customer measurement data without partnership with an LDC
- Concerned Green Button “Connect My Data” may be implemented differently by every LDC, making it harder to use across LDCs
- Direct access by third parties to the MDM/R for residential DR purposes

# Stakeholder Priorities: External to IESO

## 2. *Commitment to DR Auction capacity and growth within the Long-term Energy Plan*

- The 2013 LTEP sets a target for DR to be 10% of peak demand by 2025
  - LTEP's definition of demand response includes Industrial Conservation Initiative (ICI), Time-of-use, etc.
- Ensure other forms of “Demand Response” do not squeeze out capacity in the DR Auction
- Consider dispatchable DR capacity before embarking on new procurements

# Broader Market Impacts

- Broader IESO priorities are related to broader market systems and processes that apply to all energy resources are not specifically for demand response
- Changes will require internal and external stakeholdering



# Stakeholder Priorities: Broader IESO

1. *Reduce 1 MW minimum size for energy resources to 100 KW*
  - Reducing minimum size for energy resources will allow greater participation from the residential sector
2. *Peaksaver transition*
  - Optimize use of existing Peaksaver devices
  - Ensure value of Peaksaver resource is not lost
  - Implement a pilot program to transition Peaksaver resources

# Stakeholder Priorities: Broader IESO

## 3. *Reciprocal Settlement terms*

- Market Participants must submit Notice of Disagreements within 4 business days of the Preliminary Settlement Statement (PSS) but the IESO is not subject to the same deadline

# IESO and DRWG

- Priorities that are directly related to DR processes and procedures with limited broader market impact and where the IESO has direct decision-making authority
- Changes will still require internal and external stakeholdering

# Stakeholder Priorities: DR Auction

1. *Preparation for future Incremental Capacity Auction*
  - Evolve the DR resource to help meet changing system needs
  - Transition/integrate DR resources into ICA
2. *Allow DR Capacity Obligation transfers within a commitment period and between zones*
  - Obligation transfers are permitted only during the forward period
  - Allow transfers to occur during the commitment period and between zones within their respective limits

# Stakeholder Priorities: DR Auction

## 3. *Eliminate virtual zonal DR limits*

- Virtual limits restrict the amount of aggregated resources that can clear an auction in a zone
- Eliminate virtual limits and only apply a single zonal limit for both physical and virtual resources

# Stakeholder Priorities: DR Auction

## Commitment Period

### 4. *Allow longer Commitment Periods*

- Commitment periods are currently 6 months in duration
- Allow some amount of DR capacity to be committed longer than 1 year through the DR Auction

### 5. *Allow DR Capacity Obligations to vary on a monthly basis*

- Currently DR Capacity Obligations are fixed for a 6-month commitment period
- Allow DR Capacity Obligations to vary on a monthly basis

# Stakeholder Priorities: DR Auction Administration

6. *Implement a more efficient contributor management data entry system*
  - For C&I HDR resources, contributors are currently entered manually, one contributor at a time
  - A more efficient system would make the process easier for aggregators
  
7. *Implement automated data submission (not via OnlineIESO)*
  - IESO requests clarification from participants on this item

# Stakeholder Priorities: DR Auction Administration

8. *Change requirement for record of installation (ROI) for all HDR C&I contributors*
  - Less stringent requirements to recognize barriers faced by C&I HDR participants
  - Requirement should be changed to best-efforts basis or a threshold-based requirement



# Stakeholder Priorities: DR Auction Utilization

9. *Allow dispatchable loads to be contributors to an HDR resource*
  - Modify IESO systems to allow dispatchable loads to participate simultaneously as an energy market resource and as a contributor to an energy market resource
  
10. *Send automated notification of standby and activation notices to Market Participant so they do not have to log-in to IESO portal*
  - DRMPs are required to check their private participant reports for standby and activation notices

# Stakeholder Priorities: DR Auction Utilization

## *11. Maintain day-ahead standby notice for HDR resources*

- The IESO clarifies that the current standby notice deadline is 7am EST of the dispatch day and not in the day-ahead

## *12. Shorten or eliminate standby notice for HDR resources*

- Standby notice is not necessary for DR resources
- DR should become a more flexible resource
- Other jurisdictions (PJM, Alberta, ERCOT, ISO-NE) do not provide a standby notice

# Stakeholder Priorities: DR Auction Utilization

## *13. Duration of activations should reflect system need*

- Mandatory 4-hour activation block does not reflect system needs
- Allow a minimum 1 hour dispatch time

## *14. Reinstate utilization payments for DR activations*

- HDR resources are not compensated for DR activations
- Other jurisdictions (ISO-NE, NYISO, PJM) provide both energy and availability payments to DR

# Stakeholder Priorities: DR Auction Utilization

## *15. Increase test dispatch structure*

- IESO requests greater clarity from stakeholders on this feedback item

# IESO Priorities

1. *Alignment with Incremental Capacity Auction development*
  - Evolution of DR should be consistent with ICA design
2. *How HDR resources are called upon in the energy market*
  - Review activation requirements
  - Review 4-hour dispatch block
3. *Further integration of residential DR resources*

# Summary of Stakeholder Priorities

Category	Item
External to IESO	Easy access to residential measurement data
	Commitment to DR Auction capacity in LTEP
Broader IESO	Reduce minimum energy market resource size
	Peaksaver transition
	Reciprocal settlement terms for IESO and MPs
DR Auction	Preparation for future Incremental Capacity Auction
	Allow capacity transfers within commitment period and between zones
	Eliminate virtual zonal DR limits
	Longer commitment periods for some DR
	Varying DR Capacity Obligations
	More efficient contributor management data entry process for aggregated resources
	Automated measurement data submission capability
	Less stringent ROI requirements
	Allow dispatchable loads to be contributors in HDR resources
	Automated notification for standby and activation notices
	Maintain standby notice
	Eliminate or shorten standby notice
	More flexible dispatch duration
	Utilization payment
Improved test dispatch structure	

# Next Steps

- Please ensure the IESO has captured all feedback items accurately
- To provide feedback, please contact [engagement@ieso.ca](mailto:engagement@ieso.ca) as soon as possible to have a priority item considered for the 2017 DR workplan